

**SNOHOMISH COUNTY PUBLIC UTILITY DISTRICT NO. 1**  
**Snohomish County, Washington**  
**January 1, 1992 Through December 31, 1992**

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**Schedule Of Federal Findings**

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1. The District Should Retain Adequate Documentation To Support Grant Expenditures

During our review of expenditures under the federal Long-Term Super Good Sense (LTSGS) grant program, we discovered claims for reimbursement of \$11,640 in expenditures for which the district did not have supporting documentation. The payments represented rebates to participants in the program who purchased energy efficient refrigerators. The LTSGS program is funded by the Bonneville Power Administration under the Residential Conservation Agreement (No. 93610). The lack of supporting documentation made it impossible to determine if these costs were allowable under terms of the grant or if the rebates were for appliances necessary to serve the purpose of this program.

The district's grant agreement No. 93610 with Bonneville states in Exhibit C, No. 4 (3) that:

. . . Only appliances and equipment meeting the standards set forth in Exhibit X, Reference 3, Appendix A, shall be eligible for payment.

Exhibit C, page 5 of this same agreement requires the district to retain all supporting records necessary to verify costs billed to Bonneville.

OMB Circular A-87 states in part:

To be allowable under a grant program, costs must meet the following general criteria:

- a. Be necessary and reasonable for proper and efficient administration of the grant programs . . . .

District officials could not find the receipts that were supposed to have been obtained from participants to substantiate their purchase of the refrigerators.

Lack of documentation to support grant claims could result in the grantor requesting repayment of those funds.

We recommend the district retain all necessary documentation to support future grant claims.